



## Testimony Before the Education and Human Services Committees

- Child Care Development Block Grant
- ARRA Funds for Child Care
- Head Start Funds

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Good afternoon, Senators Gaffey and Doyle, Representatives Fleischmann and Walker, and members of the distinguished Education and Human Services committees. I am Claudette Beaulieu and I am the deputy commissioner of the Connecticut Department of Social Services. Thank you for this opportunity to come before you to discuss federal funding opportunities for early child care and education. I am joined today by Peter Palermino, our manager of family services.

### **Child Care Development Block Grant**

The Child Care Development Block Grant (CCDBG), also known as the Child Care Development Fund (CCDF), is a critical source of funding for early care and education for low income children. CCDBG was created in 1990. In 1996, with the passage of welfare reform, all funding streams for low-income child care were consolidated into CCDBG. It provides a stable source of funding for states to support the child care needs of families receiving Temporary Assistance for Needy Families and other low-income parents.

The block grant's goals are:

- ❖ To give states flexibility in setting policies that meet the needs of children and parents
- ❖ To promote parental choice in choosing child care
- ❖ To help those trying to become independent of public assistance
- ❖ To help states with the costs of health, safety, licensing, registration and consumer education and information.

In brief, the block grant funds are to be used to increase availability, affordability and quality of child care services so low income families can get the child care they need.

States must use the funds to maximize parental choice through the use of certificates or vouchers, and must allow a broad range of providers to meet families' needs. The funds can be used to pay for center-based care, family child care, informal home care, and relative care providers.

While it is a block grant, there are certain rules for the use of the funding. At least 70 percent must be used for families receiving cash assistance (in Connecticut, that is Temporary Family Assistance, or TFA), transitioning from TFA, and those low-income working parents who are at risk of needing cash assistance. No more than 5% may be used for administration, and at least 4% must be used on quality activities. Quality activities include provider training and skill development, scholarship assistance, consumer/provider education, and capacity expansion.

States may set their own financial guidelines, up to 85% of the state's median income. In Connecticut, we currently use 75% of SMI for eligibility. For a family of three, that is \$61,556 annually.

States may also set different rates for unlicensed care than those set for licensed care as a way to recognize the higher costs of centers that employ staff with degrees or credentials. In Connecticut, we have a differential rate system, paying higher rates for licensed settings.

What do we use our CCDBG funds for in Connecticut?

- ❖ We combine these funds with state dollars and then use these dollars for child care subsidies in our Care 4 Kids Program, making payments directly to a parent's chosen child care provider.
- ❖ We support the School Readiness quality enhancement program in certain communities.
- ❖ We use them for resource and referral sources through the United Way's 211 Child Care Infoline. 211 can help parents locate child care and gives parents information on what to look for in choosing a child care arrangement.
- ❖ We support the staff at the Department of Public Health who license and monitor child care facilities.
- ❖ We make investments in provider training and staff development through the community colleges' Connecticut Charts a Course career development system. We fund scholarships, training programs in child development, career counselors, a provider registry and an accreditation facilitation project.
- ❖ And lastly, our CCDBG dollars support administrative functions within DSS to manage the child care funds.

The Obama Administration 2011 budget prepares for a reauthorization of the Child Care and Development Block Grant and proposes a \$1.6B increase over the FFY 2010 enacted level. The proposal calls for mandatory child care funding to be adjusted for inflation in the years after FY 2011, representing a firm commitment to maintaining child care funding at these levels in the future and ensuring that these funds do not erode with inflation. The FY 2011 request serves 1.6 million children, approximately 235,000 more than would have otherwise been served. The Obama Administration supports reforms in CCDBG that would establish a high standard of quality across child care settings, expand professional development opportunities for the child care workforce, and promote coordination across the spectrum of early childhood education programs

As more information is made available, department staff will work with respective state partners to insure Connecticut fully access all available federal CCDBG funds. Since the inception of CCDBG in 1990, CT has been able to claim every available federal CCDBG dollar.

#### **ARRA Funds for Child Care**

The American Recovery and Reinvestment Act made a number of key investments in a number of areas including child care. ARRA included funds to help those most affected by the recession to continue to receive child care services and it provided targeted funding to improve the quality of child care overall. Congress authorized \$2 billion nationally for this effort. It is one-time funding and is subject to all regular CCDBG requirements. It can be spent in FFY 2009 and/or FFY 2010.

One other key requirement: these dollars must supplement, not supplant, state spending. A state cannot receive these dollars if state spending dips below the level of spending as of 2/17/09, the date of the enactment of ARRA.

The overall amount Connecticut can receive under ARRA is \$13.7 million. Of that, \$1.131 million must be spent on quality expansions or improvements and \$655,000 must be spent on infant/toddler quality activities. The remainder, \$11.899 million, can be spent to support child care services in general.

Due to the state's fiscal crisis and the Care 4 Kids program running a deficit, we used a large portion of our money to continue paying child care subsidies in the Care 4 Kids program. The alternative was not only closing intake but potentially discontinuing benefits for existing program beneficiaries. We spent \$9.6 million of the \$13.7 million during state fiscal year 2009. This enabled 12,260 families with children to continue receiving child care services, and enabled an estimated 4,715 child care workers to retain their jobs.

Due to concerns over the state budget, however, program intake was closed to non-TFA families in May, 2009. As time passed, however, and the caseload began to drop, it became clear that we would need to reopen the program in order to meet the \$93 million maintenance of effort requirement in state fiscal year 2010. As a result, Governor Rell reopened the program in November, 2009, and it remains open still. We are serving about 12000 families with 17,000 children each month.

We have also developed a plan for the ARRA child care quality dollars. Together, we have \$1,785,990 that must be spent on child care quality activities. We developed the plan after considering input from a variety of sources, such as the public hearings held last year on the federal CCDBG child care plan, and findings from the Yale study on child care that was released just a couple of months ago. Given that these are one-time dollars, we are focusing our energy on one-time efforts that will contribute significant value to the Connecticut child care system.

Our plan includes the following:

- ❖ The development of a state emergency preparedness and response plan to coordinate the response of child care providers with local, state and federal responders in the event of a natural disaster or other emergency.
- ❖ Inspect all licensed child care center playgrounds, and then issue grants for materials and equipment necessary for playground safety enhancements.
- ❖ Support the Department of Public Health's licensing and enforcement processes by enhancing electronic monitoring and compliance systems.
- ❖ Make additional scholarships available for teachers in child care centers to obtain credentials and degrees. Scholarships will be targeted to priority and severe needs school readiness providers and family day care home providers.
- ❖ In the Care 4 Kids program, institute direct deposit for providers, create a system of on-line invoice look-up and submission, and improve web-based submission of documents, thereby providing improved service, reducing postage and paper costs and reducing fraud.
- ❖ Provide health and mental health consultation services in child care centers.
- ❖ Implement the Early Learning Guidelines through Early Head Start and in family day care homes.
- ❖ Create an Early Childhood Information System at DSS to allow web-based reporting, capture sufficient detail on program participants to allow DSS and the state Department of Education expenditures to be claimed under CCDF and TANF.

We expect to start developing contracts so that work can begin quickly.

## Head Start Funds

We are working with the reconstituted Early Childhood Cabinet, SDE and the Office of Policy and Management on a funding opportunity through Head Start.

Connecticut's potential allocation is \$582,974 over three years. To draw down these funds, the state must identify a match of \$1.36 million in state spending. Applications are due August 1, 2010; only four states have applied to date.

Funds can be used for:

- promoting school preparedness of children birth through school entry including activities to encourage families and caregivers to engage in highly interactive, developmentally and age-appropriate activities to improve children's social, emotional, cognitive development, support the transition of young children to school, and foster parental and family involvement in the early education of young children;
- supporting professional development recruitment, and retention initiative for EC educators;
- enhancing ECE and development programs and services (in existence on the date on which the grant involved is awarded), including quality improvement activities authorized under the Child Care and Development Block Grant Act....; and
- carrying out other activities consistent with the State's plan and application.

States must be able to describe how the activities will be sustained beyond the grant period.

Thank you for this opportunity to speak with you and I am happy to answer any questions you may have.

